

Inflation Pressures Rise, Indexes Show

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Unemployment fell and per cent in March and 3.7 per cent in February. wholesale prices inched upward during April, indicating a further buildup of inflationary potential in the Nation's booming economy.

The Johnson Administration is watching both the unemployment and price figures closely to determine whether or not a tax increase will be needed to cool off the superheated economy and contain inflationary pressures.

After holding steady in March, the Bureau of Labor Statistics' wholesale price index rose a tenth of a point to 105.5 per cent of the 1957-59 average.

The Bureau also announced that the country's jobless total dropped 200,000 from March and 750,000 from a year ago for a seasonally adjusted rate of 3.7 per cent of the labor force. The rate had been 3.8

per cent in March and 3.7 per cent in February. The Johnson Administration is watching both the unemployment and price figures closely to determine whether or not a tax increase will be needed to cool off the superheated economy and contain inflationary pressures.

Although the over-all unemployment rate matched the February figure, some categories showed strong improvement. The rate for men 20 and over, for example, dropped from 2.6 to 2.4 per cent—its lowest level in more than 12 years.

The rate for married men See **ECONOMY**, A16, Col. 3

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was 1.8 per cent, the fifth consecutive month it has been below 2 per cent.

Most of April's improvement in the job picture came among men. Changes among women and children were largely seasonal, the Bureau said.

Total jobs rose 1.1 million in April and 365,000 more than seasonally. There was a gain of more than 2 million from a year ago.

Among jobholders there were 1.5 non-farm workers involuntarily on part time. This was 300,000 less than a year ago and at the lowest seasonally adjusted level since the series began in May, 1955.

On the price front, substantially lower quotations for farm products and processed foods were more than offset by increase in industrial commodities—the sector that most worries inflation-minded economists because food prices tend to be cyclical and are ex-

pected to fall further by the end of the year.

Farm products fell from 106.8 to 106.4 and processed foods from 111.7 to 110.5. Industrials rose from 104.0 to 104.3.

The over-all index is now 3.7 per cent higher than a year ago.

Of some comfort was the less broadly based weekly wholesale price index of the Bureau. In the seven days ended May 3, it fell from 105.2 to 105.1. Food prices dropped while industrials held steady.

Although analysts regard any rise in wholesale prices as bad news, the small 0.1 of a point rise in the monthly index, coming after March's stability, indicated that price increases have at least moderated since last winter.

The index jumped 0.8 of a point in February, 0.5 in January and 0.6 in December. Had this rate persisted—amounting to more than 7 per cent on an annual basis—most economists feel a tax increase could not have been avoided.